

LIKE KIND EXCHANGE SYSTEM AND METHOD

ABSTRACT OF THE DISCLOSURE

A database tracks acquired and relinquished assets and permits assets to be combined for like kind exchanges to realize a tax benefit. Relinquished assets that have been depreciated to recover a tax benefit are matched with acquired assets and a like kind exchange takes place through a qualified intermediary. The tax basis for the relinquished assets is transferred to the acquired assets and a further tax benefit is obtained. A processing engine provides notification of transaction details to appropriate parties, and records completed transactions. A qualified intermediary conducts the like kind exchanges to provide a buffer between the asset manager and realizations resulting from exchange transactions. A trustee bank provides funding for purchase and sale of assets, and all transaction information is recorded in a database suitable for providing required regulatory reports. The system manages a number of complex, arms length transactions in compliance with regulatory requirements and reports details of the transactions to regulatory authorities to obtain tax benefits.